



**HOUSING AUTHORITY  
of the County of Los Angeles**

700 W. Main Street • Alhambra, CA 91801

Tel: 626.262.4510 • TDD: 855.892.6095 • [www.hacola.org](http://www.hacola.org)

**Gloria Molina  
Mark Ridley-Thomas  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich**  
Commissioners

**Sean Rogan**  
Executive Director

**AGENDA  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION  
WEDNESDAY, DECEMBER 12, 2012  
12:00 PM  
700 W. MAIN STREET  
ALHAMBRA, CA 91801  
(626) 262-4511**

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**1. Call to Order**

**2. Roll Call**

**Henry Porter Jr., Chair  
Val Lerch, Vice Chair  
Hope Boonshaft  
James Brooks  
Alma Cibrian  
Michelle-Lynn Gallego  
Zella Knight**

**3. Reading and Approval of the Minutes of the Previous Meeting**

Regular Meeting of November 14, 2012

**4. Report of the Executive Director**

**5. Presentation**

Information on Resident Council

**6. Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

## **Regular Agenda**

### **7. Award a Construction Contract for the El Segundo II Housing Development Kitchen and Bathroom Remodel Project. (District 2)**

Recommend that the Board of Commissioners award and authorize the Executive Director or his designee to execute or amend a Contract and all related documents with Corral Construction and Development, Inc., the lowest responsive and responsible bidder, in the amount of \$143,444, to complete the remodel of kitchens and bathrooms at the El Segundo II public housing development, using Community Development Block Grant (CDBG) funds allocated to the Second Supervisorial District by the U.S. Department of Housing and Urban Development (HUD); authorize the Executive Director or his designee, if necessary, to terminate the contractor's right to proceed with the performance of the Contract or terminate the Contract; authorize the Executive Director or his designee to approve Contract change orders not to exceed \$28,689 for unforeseen project costs, using the same source of funds; authorize the Executive Director to incorporate into the Housing Authority's Fiscal Year 2012-2013 approved budget up to \$172,133 to fund the Contract and change orders, and up to \$75,137 to fund project-related Housing Authority administrative costs, using CDBG funds allocated to the Second Supervisorial District by HUD; find that the approval of the Contract and the project are exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the project. (APPROVE)

### **8. Approve the Housing Authority's Plan in the Event of Insufficient Funding for the Housing Choice Voucher Program Due to Sequestration (All Districts)**

Recommend that the Board of Commissioners instruct the Executive Director to submit a waiver request to the U.S. Department of Housing and Urban Development (HUD) for an immediate 8.2 percent reduction to the payment standard for the Housing Choice Voucher (HCV) Program should the sequestration provision of the Budget Control Act of 2011 become effective January 2, 2013; If the waiver request is not granted or a determination is not received from HUD within 30 days of the initial request, recommend that the Board of Commissioners instruct the Executive Director to implement a plan to terminate Housing Assistance Payments Contracts for approximately 1,800 HCV Program households based on a first in first out concept, excluding seniors, disabled, veterans, former homeless, project-based vouchers, family unification and moderate rehabilitation families. (APPROVE)

9. **Approval of 2013 Housing Commission Meeting Schedule**
10. **Election of Chair and Vice Chair 2013**
11. **Housing Commissioners may provide comments or suggestions for future Agenda items.**

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 700 W. Main St. Alhambra, CA 91801. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (626) 586-1504, or by e-mail at [donna.delvalle@lacdc.org](mailto:donna.delvalle@lacdc.org), from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES  
MINUTES FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, November 14, 2012

The meeting was convened at the Nueva Maravilla, 4909 Cesar E. Chavez, Los Angeles, CA.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Henry Porter at 12:53 p.m.

<b><u>ROLL CALL</u></b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Henry Porter, Chair	X	
Val Lerch, Vice Chair		X
Zella Knight	X	
Hope Boonshaft		X
James Brooks	X	
Alma Cibrian	X	

**PARTIAL LIST OF STAFF PRESENT:**

Sean Rogan, Executive Director  
Emilio Salas, Deputy Executive Director  
Margarita Lares, Director, Assisted Housing  
Maria Badrakhan, Director, Housing Management  
Harold Pierce, Director, Administrative Services

**GUESTS PRESENT:**

None at this time

**Reading and Approval of the Minutes of the Previous Meeting**

On Motion by Commissioner Knight, seconded by Commissioner Brooks, the Minutes of the Regular Meeting of October 24, 2012 were approved with correction to Item #6.

#### **Agenda Item No. 4 – Report of the Executive Director**

Deputy Executive Director Emilio Salas reported the following:

Emilio Salas invited Maria Badrakhan, Housing Management Director to introduce her Property Supervisors and staff.

Emilio Salas thanked Commissioner Cibrian for participating on the interview panel for the vacant Tenant Commissioner positions. As a result of the latest interviews we have two new Tenant Commissioners on board pending appointment by the Board of Commissioners. We are hopeful that the new members will be joining us for the January meeting.

Emilio Salas stated that the Annual HomeWalk sponsored by the United Way is scheduled for Saturday November 17<sup>th</sup> at 8:00 a.m. at Exposition Park. The HomeWalk is part of the Home for Good collaborative effort to provide permanent supportive housing for Los Angeles County residents. Home for Good is a public/private partnership and this is the biggest fundraiser for this collaborative.

Emilio Salas reported that the Housing Authority received confirmation from The U.S. Housing and Urban Development (HUD) that our public housing program has obtained a rating of “High Performer” under Public Housing Assessment System (PHAS). This assessment system is used by HUD to rate housing authority performance. Although the rating standards changed this year, HUD began placing a greater emphasis on Real Estate Assessment Center (REAC) scores which assesses the physical condition of each property.

Emilio Salas informed the Commission that various holiday events will be held at our housing developments throughout the County. A list will be distributed to the Commissioners representing the largest events that we host.

#### **Agenda Item No. 5 – Presentation**

Award presentation for Shirley Batman and David Fisher for their years of service on the Community Development Foundation Board.

#### **Agenda Item No. 6 - Public Comments**

Carol Bogan, Marina Manor Resident – Requested an investigation of the Marina Manor Resident Council at the April 18, 2012 Housing Commission meeting at Orchard Arms. Ms. Bogan asked for a future Housing Commission meeting to be held at the Marina Manor Housing Development. Ms. Bogan asked for an explanation on how the voting and elections are handled for the Resident Council.

#### **Regular Agenda**

No Items on Agenda

**Agenda Item No. 7 – Housing Commissioner Comments and Recommendations for Future Agenda Items**

Commissioner Cibrian thanked staff for allowing her to be part of the Tenant Commissioner interview panel. She was happy to assist.

Commissioner Brooks stated that today's award presentations were exciting and he expressed his appreciation for all of the hard work that was done.

Commissioner Knight stated that she is very proud of the Housing Authority's involvement with the Family Self Sufficiency (FSS) program. She expressed her gratitude for all of the staff involvement for making the program a success.

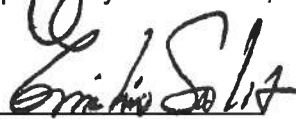
Commissioner Porter stated that he provided Rivka Dayan, Kings Road Resident his personal contact information to follow up with her concerns from the October 24<sup>th</sup> Housing Commission meeting held at Westknoll Apartments. As of November 14<sup>th</sup>, Commissioner Porter had not received any contact from Ms. Dayan.

Commissioner Porter complimented staff for all of their hard work achieving "High Performer" status.

Commissioner Porter wished all in attendance a Happy Thanksgiving.

On Motion by Commissioner Porter, the Regular Meeting of November 14, 2012, was adjourned at 1:47 pm.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director  
Secretary –Treasurer

## Housing Authority - County of Los Angeles

November 28, 2012

**FOR YOUR INFORMATION ONLY**

TO: Housing Commissioners  
FROM: Margarita Lares, Director, Assisted Housing Division  
RE: **FSS PROGRAM UPDATE – NOVEMBER 2012**

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Housing Choice Voucher Program Participants achieve economic independence and self-sufficiency.

### Activities

<b>NUMBER CURRENTLY ENROLLED</b>	596	As of November 1, 2012
<b>NEW ENROLLMENTS</b>	3	FSS Participants Enrolled
<b>CONTRACTS EXPIRED</b>	1	FSS Contract Expired
<b>DIRECT ASSISTANCE REFERRALS</b>	79 44 221 92 107 116 28 92 58 266	Workforce Centers Home Ownership Program/Seminars/workshops Job referral Educational/Vocational Services Credit Repair Services Financial Literacy Individual Deposit Accounts Transportation Assistance Health & Food Services Other Social Services
<b>NETWORK MEETINGS</b>	1 1 1	Members of the HACOLA FSS staff attended the bi-monthly Hub-Cities Partnership meeting Gardena WorkSource WIA presentation Financial Literacy Class conducted by FSS staff at Carmelitos Public Housing
<b>GRADUATIONS</b>	0	Graduation

If you have any questions, please feel free to contact me at (562) 347-4837

ML:MP:WB:dt

## FAMILY SELF-SUFFICIENCY (FSS) REPORT SUPPLEMENT

Listed below are descriptions of frequently used language in the monthly FSS Report.

1. **SASSFA**-Acronym for Southeast Area Social Services Funding Authority. They oversee all the funding for Worksource Centers, who provide job training, job placement, and skill assessment. We have a partnership with them, which in turn benefits our clients by providing services that we would not be able to provide on our own. There are about 75 Worksource Centers located in Southern California.
2. **The Employment Network Job Board** is located in the Family Self-Sufficiency department of the Assisted Housing Division located at 12131 Telegraph Road, Santa Fe Springs, CA and is a compilation of job leads, job requests and training information supplied by our various partnered agencies and is updated on a bi-weekly basis. The network board may also include referrals to other types of services, such as job fairs, resume preparation or social services. All these resources are shared with FSS participants.
3. **Emergency Transportation Assistance** refers to bus tokens issued by FSS staff to FSS participants who are having short term transportation problems. This would include those who have started a new job and need transportation assistance until they receive a pay check; those who need assistance in order to get to a job interview; those who are starting school and may not have been able to make arrangements to carpool prior to enrollment; those who have had a temporary transportation emergency, such as a automobile accident or auto break down. Part of this assistance may also include referrals to other agencies which may have bus tokens or passes available.





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*Commissioners*

**Sean Rogan**  
*Executive Director*

December 12, 2012

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
700 W Main Street  
Alhambra, California 91801

Dear Commissioners:

**AWARD A CONSTRUCTION CONTRACT FOR THE EL SEGUNDO II HOUSING  
DEVELOPMENT KITCHEN AND BATHROOM REMODEL PROJECT  
(DISTRICT 2)**

**SUBJECT**

This letter recommends award of a Construction Contract (Contract) to Corral Construction and Development, Inc., to complete the kitchen and bathroom remodel at the El Segundo II public housing development, located at 2141-2145 East El Segundo Boulevard in the unincorporated area of Compton.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners award and authorize the Executive Director or his designee to execute or amend a Contract and all related documents with Corral Construction and Development, Inc., the lowest responsive and responsible bidder, in the amount of \$143,444, to complete the remodel of kitchens and bathrooms at the El Segundo II public housing development, using Community Development Block Grant (CDBG) funds allocated to the Second Supervisorial District by the U.S. Department of Housing and Urban Development (HUD).
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee, if necessary, to terminate the contractor's right to proceed with the performance of the Contract or terminate the Contract.
3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to approve Contract change orders not to exceed \$28,689 for unforeseen project costs, using the same source of funds.

4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Housing Authority's Fiscal Year 2012-2013 approved budget up to \$172,133 to fund the Contract and change orders, and up to \$75,137 to fund project-related Housing Authority administrative costs, using CDBG funds allocated to the Second Supervisorial District by HUD.
5. Recommend that the Board of Commissioners find that the approval of the Contract and the project are exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the project.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to award a Contract for the remodel of kitchens and bathrooms at the El Segundo II public housing development, and to find that the project is exempt from CEQA.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$143,444 in CDBG funds allocated to the Second Supervisorial District by HUD, to be incorporated into the Housing Authority's approved Fiscal Year 2012-2013 budget.

A 20% contingency, in the amount of \$28,689, is being set aside for unforeseen costs using the same source of funds. This contingency is recommended because the remodel of kitchens and bathrooms often involves unforeseen conditions or damage that extends further than initially identified in the scope of work.

A total of \$247,270 will be incorporated into the Housing Authority's Fiscal Year 2012-2013 approved budget to fund the Contract, change orders, and project-related Housing administrative costs, including staff time for inspections, labor compliance, project management, legal and printing costs.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The El Segundo II public housing development in the unincorporated area of Compton consists of 13 two-story public housing units. The scope of work for this Contract includes the replacement of existing kitchen cabinetry, bathroom vanities, countertops, sinks, plumbing fixtures, bathroom mirrors, range hoods, flooring, and painting, including all accessories and associated work.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Corral Construction and Development will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

### **CONTRACTING PROCESS**

On October 3, 2012, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were emailed to 334 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in one local newspaper, and on the County WebVen and Housing Authority websites.

On November 7, 2012, 23 bids were received and formally opened. The lowest bidder, Bella Innovations Development and Construction, withdrew its bid. The second lowest bidder, Corral Construction and Development, Inc., was determined to be the lowest responsive and responsible and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is categorically exempt from the provisions of CEQA. The project is within a class of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301 of the CEQA Guidelines and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, the project is not in a sensitive environment, and there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

Honorable Housing Commissioners  
December 12, 2012  
Page 4

**IMPACT ON CURRENT PROJECT**

The award of the Contract will complete the remodel of kitchens and bathroom for the El Segundo II public housing development and allow the Housing Authority to continue providing residents with decent, safe and sanitary living conditions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan".

*for* SEAN ROGAN  
Executive Director

Enclosures

## ATTACHMENT A

### Summary of Outreach Activities

On October 3, 2012, the following outreach was initiated to identify a contractor to complete the kitchen and bathroom remodel including all accessories and associated work at the El Segundo II public housing development located at 2141-2145 East El Segundo Boulevard, Compton, CA 90222.

#### A. Newspaper Advertising

Announcements appeared in the following local newspaper:

Los Angeles Times

An announcement was also posted on the County WebVen and CDC websites.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to email out Invitations for Bids to 334 contractors, of which 178 identified themselves as businesses owned by minorities or women (private firms which are 60 percent owned by minorities or women, or publicly-owned businesses in which 56 percent of the stock is owned by minorities or women). As a result of the outreach, ninety-seven downloaded the bid package.

#### C. Pre-Bid Conference and Site Walk

On October 23, 2012, a mandatory pre-bid conference and site walk was conducted. Forty-seven firms were in attendance.

#### D. Bid Results

On November 7, 2012, a total of twenty-three bids were received and publicly opened.

The bid result was as follows:

<u>Engineers' Estimate</u>	\$109,715
<u>Company</u>	<u>Bid Amount</u>
Bella Innovations Development and Construction	\$126,385
Corral Construction and Development, Inc.	\$143,444
Dan Contractor	\$159,400

New Design Kitchen, Inc.	\$169,000
Damon Inc.	\$176,590
Crescent Pacific, Inc.	\$179,000
Richard Sherman's Construction	\$180,000
A.J. Fistes Corporation	\$186,176
Magic Hammer Development, Inc.	\$193,896
G2K Construction, Inc.	\$194,500
CTG Construction, Inc.	\$197,000
AZ Home, Inc.	\$197,910
ZK Construction	\$203,000
Ed Hilton Construction	\$218,000
Two Brothers Construction Co.	\$220,000
Green Building Corp.	\$223,000
CJ Pro, Inc.	\$229,500
Cinbad Industry, Inc.	\$229,650
PACE	\$231,391
Anderson Group International	\$241,980
DHI Construction	\$245,000
Gibraltar Construction Co., Inc.	\$256,000
C.A.S. General Contractor	\$257,395

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Corral Construction and Development, Inc.	Minority	Total: 6 6 Minorities 1 Woman 100% Minorities 16% Women

F. Minority/Women Participation - Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Bella Innovation Development And Construction	Non-Minority	Total: 10 0 Minorities 0 Women 0% Minorities 0% Women
Dan Contractor	Non-Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women

New Design Kitchen, Inc.	Minority	Total: 3 3 Minorities 0 Women 100% Minorities 0% Women
Damon, Inc.	Non-Minority	Total: 3 3 Minorities 0 Women 100% Minorities 0% Women
Crescent Pacific, Inc.	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women
Richard Sherman's Construction	Minority	Total: 5 5 Minorities 3 Women 100% Minorities 60% Women
A.J. Fistes Corporation	Non-Minority	Total: 21 17 Minorities 3 Women 81% Minorities 14% Women
Magic Hammer Development, Inc	Non-Minority	Total: 6 5 Minorities 1 Woman 83% Minorities 17% Women
G2K Construction, Inc.	Minority	Total: 10 7 Minorities 3 Women 70% Minorities 30% Women

CTG Construction	Non-Minority	Total: 16 10 Minorities 3 Women 63% Minorities 19% Women
AZ Home, Inc. Inc.	Non-Minority	Total: 10 4 Minorities 2 Women 40% Minorities 20% Women
ZK Construction	Non-Minority	Total: 5 4 Minorities 1 Woman 80% Minorities 20% Women
Ed Hilton Construction	Did not submit information	
Two Brothers Construction Co.	Minority	Total: 4 3 Minorities 1 Woman 75% Minorities 25% Women
Green Building Corporation Inc.	Non-Minority	Total: 2 1 Minorities 0 Women 50% Minorities 0% Women
C.J. Pro, Inc.	Non-Minority	Total: 6 6 Minorities 1 Woman 100% Minorities 17% Women
Cinbad Industry, Inc.	Minority	Total: 1 1 Minorities 0 Women 100% Minorities 0% Women



PACE	Non-Minority	Total: 447 420 Minorities 369 Women 94% Minorities 83% Women
Anderson Group International	Minority	Total: 70 36 Minorities 18 Women 51% Minorities 26% Women
DHI Construction	Non-Minority	Total: 2 0 Minorities 1 Woman 0% Minorities 50% Women
Gibraltar Construction	Non-Minority	Total: 13 1 Minorities 6 Women 8% Minorities 46% Women
C.A.S. General Contractor Development, Inc	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

## ATTACHMENT B

### Contract Summary

**Project Name:** El Segundo II Kitchen and Bathroom Remodel Project  
**Location:** 2141-2145 E. El Segundo Boulevard, Compton, CA 90222  
**Bid Number:** CDC12-084  
**Bid Date:** November 7, 2012  
**Contractor:** Corral Construction and Development, Inc.  
**Services:** The scope of work in each unit includes replacement of existing kitchen cabinetry, bathroom vanities, countertops, sinks, plumbing fixtures, bathroom mirrors, range hoods, flooring, painting including all accessories and associated work.

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

**Notice to Proceed and Completion:** The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within ninety (90) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Seven Hundred Fifty Dollars and Zero Cents (\$750.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Hundred Forty Three Thousand Four Hundred Forty Four Dollars (\$143,444)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency:** **\$28,689**

## El Segundo II Kitchen and Bathroom Remodel Project



Typical exterior of the thirteen units.



Many kitchen cabinets are peeling and have holes.



## El Segundo II Kitchen and Bathroom Remodel Project



A kitchen cabinet in one of the units damaged by water.



Typical surface of the kitchen countertop

## El Segundo II Kitchen and Bathroom Remodel Project



View of the bathroom cabinet in one of the units.



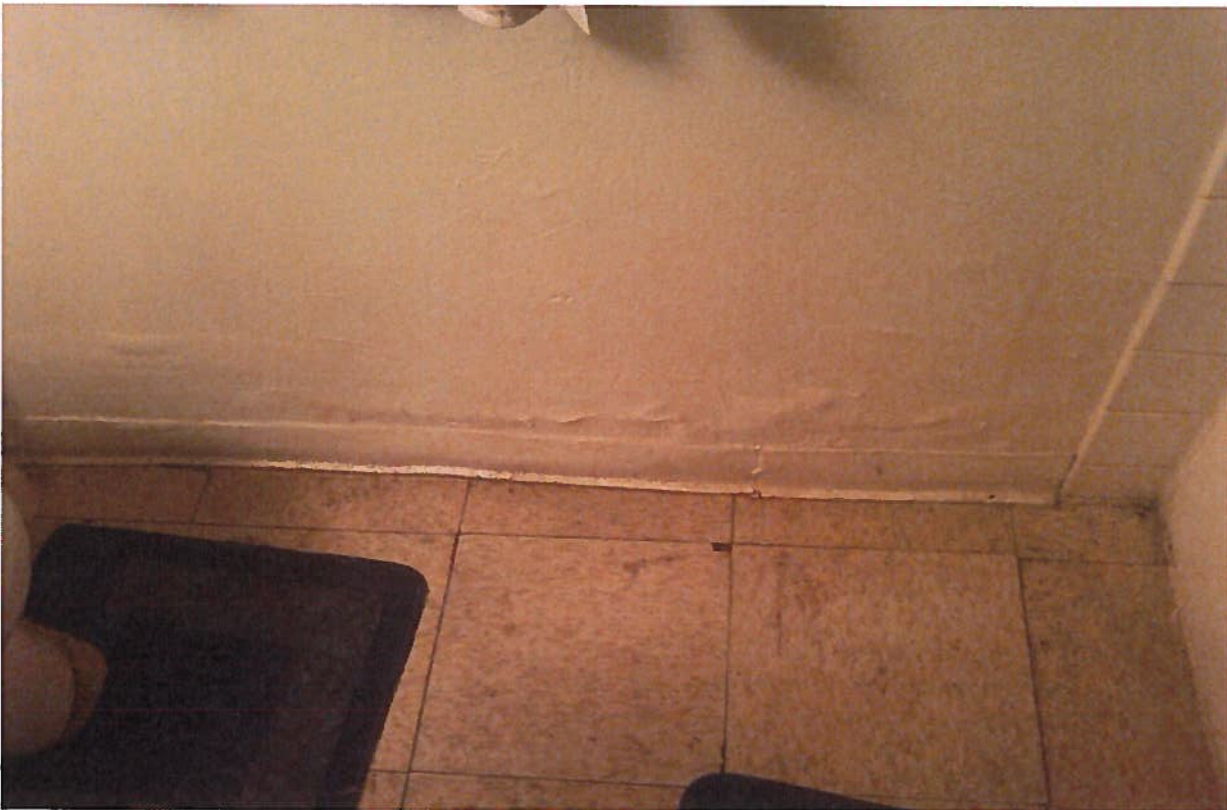
Picture of the VCT floors in the bathroom.



## El Segundo II Kitchen and Bathroom Remodel Project



Some of the towel racks are missing or loose in the bathrooms.



Wall surface in some of the bathrooms are popping out due to water and drywall damage.



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**Sean Rogan**  
*Executive Director*

December 12, 2012

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
700 West Main Street  
Alhambra, California 91801

Dear Commissioners:

**APPROVE THE HOUSING AUTHORITY'S PLAN IN THE  
EVENT OF INSUFFICIENT FUNDING FOR THE HOUSING CHOICE VOUCHER  
PROGRAM DUE TO SEQUESTRATION  
(ALL DISTRICTS)**

**SUBJECT**

This letter requests approval of a plan to address a possible funding shortfall for the Housing Choice Voucher Program in the event of sequestration under the Budget Control Act of 2011.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners instruct the Executive Director to submit a waiver request to the U.S. Department of Housing and Urban Development (HUD) for an immediate 8.2 percent reduction to the payment standard for the Housing Choice Voucher (HCV) Program should the sequestration provision of the Budget Control Act of 2011 become effective January 2, 2013.
2. If the waiver request is not granted or a determination is not received from HUD within 30 days of the initial request, recommend that the Board of Commissioners instruct the Executive Director to implement a plan to terminate Housing Assistance Payments Contracts for approximately 1,800 HCV Program households based on a first in first out concept, excluding seniors, disabled, veterans, former homeless, project-based vouchers, family unification and moderate rehabilitation families.



**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this letter is to inform you of the possibility that the HCV Program funding may be reduced for Federal Fiscal Year 2013, beginning January 2, 2013. This funding cut will impact both the current and upcoming Fiscal Year budgets, by an estimated 8.2 percent. The process by which this reduction may take place, known as sequestration, is a provision of the Budget Control Act of 2011 (BCA). Sequestration will occur automatically in the absence of Congressional action to prevent the cuts.

The Housing Authority plans to address the shortfall in Housing Assistance Payments (HAP) funding by requesting that HUD approve the immediate implementation of reduced payment standards by 8.2 percent for all program participants, which would result in no voucher terminations. The reduced payment standards plan will impact approximately 21,132 households that will be required to pay a larger portion of their income towards their monthly rent. Of the households mentioned above, only 10 percent would be required to pay more than an additional \$100 per month. This plan will ensure that no family would be subject to losing their rental assistance and is an ideal method of addressing the funding shortfall because it distributes the burden equitably across all households.

However, to implement an immediate reduction in payment standards, the Housing Authority is required to obtain a regulatory waiver from HUD. Without a regulatory waiver, the payment standards cannot be reduced below 90% and the reduction would not be recognized until early 2014. Should HUD fail to approve the payment standards reduction within 30 days, the Housing Authority would be forced to terminate rental assistance for a number of households. If necessary, the Housing Authority is proposing to terminate contracts based on a first in, first out concept for approximately 1,800 households, in an effort to reduce HAP costs by 8.2% percent. The first in, first out concept terminates assistance for families that have received rental assistance for the longest period of time (ranging from 9 to 35 years) with the exception of seniors, disabled, veterans, former homeless, project-based vouchers, family unifications and moderate rehabilitation families.

Therefore, this letter seeks authorization to request approval from HUD to reduce payment standards for all households by 8.2 percent, and if unsuccessful, to terminate HAP Contracts for approximately 1,800 HCV Program households should the BCA sequestration cuts take place on January 2, 2013. Approval of these procedures will enable the Housing Authority to operate within HUD authorized budget authority.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. Approval of these actions will enable the Housing Authority to continue to operate within HUD budget authority guidelines.

Sequestration funding cuts will impact both the current and upcoming Fiscal Year budgets, by an estimated 8.2 percent. Should Congress fail to avoid sequestration by January 2, 2013, the Housing Authority estimates a loss of housing assistance payments of approximately \$18.6 million.

In addition to the effect on participating families, the HAP loss to sequestration will also directly impact Administration Fees with an estimated \$1.6 million reduction to our administrative budget, which would result in the lowest funding level in the history of Housing Authority's HCV Program.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Housing Authority currently has the authority to terminate HAP Contracts, in accordance with HUD regulations and the Administrative Plan.

HUD regulation states that the Housing Authority may terminate HAP Contracts if the Housing Authority determines that "funding under the consolidated ACC is insufficient to support continued assistance for families in the program" (24 CFR § 982.454).

In 2006, the Housing Authority received the Board's approval to terminate HAP Contracts due to insufficient funding in the following manner (Administrative Plan Section 14.6 (4) Termination of the HAP Contract by Housing Authority):

- Before terminating HAP contracts on the basis of insufficient funding, the Housing Authority is required to ensure that the determination of insufficient funding is documented. The Housing Authority will consider funding insufficient if it is determined that the projected year-end subsidy falls short of the authorized budget amount.
- The Housing Authority will determine the number of families that must be terminated, and will present the Board of Commissioners with a recommended method for terminating HAP contracts. Following Board of Commissioner and HUD notification, the Housing Authority will terminate HAP contracts.
- Contracts of elderly and disabled families will not be subject to termination.
- Terminated families will be placed on the waiting list and will receive a preference for assistance from the waiting list.

**IMPACT ON CURRENT PROGRAM**

Approval of this action will allow necessary payment standard reductions or HAP Contract terminations in the event of sequestration, in order for the Housing Authority to continue providing housing assistance to as many families as possible within HUD authorized budget guidelines.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan".

for  
SEAN ROGAN  
Executive Director

**Housing Commission  
2013 Meeting Schedule  
12:00 noon**

<u>Date</u>	<u>Site</u>	<u>Address/ Telephone #</u>	<u>District</u>	<u>Description</u>
January 23	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A
February 27	South Bay Gardens	230 E. 130 <sup>th</sup> Street Los Angeles, CA 90061 (323) 357-3157	2 <sup>nd</sup>	100 Units of Senior Housing
March 27	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A
April 24	Harbor Hills	26607 S. Western Ave. Lomita, CA 90717 (310) 534-6843	4 <sup>th</sup>	301 Units of Family / Senior Housing
May 22	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A
June 26	Nueva Maravilla (Community Center)	4909 Cesar E. Chavez Los Angeles, CA 90022 (323) 260-2188	1 <sup>st</sup>	504 Units of Family / Senior Housing
July 24	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A
August 28	Lancaster Homes	711-737 W. Jackman Street Lancaster, CA 93534 (661) 255-5818	5 <sup>th</sup>	120 Units of Senior Housing
September 25	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A
October 23	CRC/Sundance Vista	10850 Laurel Avenue Whittier, CA 90605 (562) 946-2425	1 <sup>st</sup> /4 <sup>th</sup>	41 Units of Family Housing
November 20	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A
December 18	CDC/Headquarters	700 W. Main Street Alhambra, CA 91801 (626) 586-1504	N/A	N/A